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STATEMENT BY

**MAJOR GENERAL MICHAEL A. GORMAN
ADJUTANT GENERAL SOUTH DAKOTA NATIONAL GUARD
&
SECRETARY OF THE SOUTH DAKOTA DEPARTMENT OF
MILITARY AND VETERANS AFFAIRS**

BEFORE THE

**HOUSE COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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**ON
EDUCATION BENEFITS FOR THE NATIONAL GUARD AND
RESERVES**

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Chairwoman Herseth and distinguished Members of the Committee, I regret that I am unable to appear before you in person but I would like to provide information I feel is of vital importance for the members of the National Guard concerning educational benefits for the National Guard and Reserve Components. I greatly appreciate your commitment to our Nation's veterans and am grateful for the chance to provide this testimony regarding the educational assistance programs available to the National Guard

As you know, Congress re-established the GI Bill in 1984. The MGIB, codified in Title 38, Chapter 30, was designed to stimulate All-Volunteer Force recruitment and retention and to help veterans readjust to the civilian world on completion of their service. The Selected Reserve MGIB program was first codified under Chapter 106 of Title 10 as a recruiting and retention incentive, and because of this post-service benefits were not authorized. Guard and Reserve members may be entitled to receive up to 36 months of MGIB-SR education benefits. This benefit not only had a positive effect on the individual, but the military benefited by having an educated force. The bill also served as a key recruiting and retention enhancement. At the beginning of MGIB and until the late 1990s, MGIB-SR benefits maintained proportional parity with the basic active duty program, paying nearly 50 percent of active duty benefit rates. Yet, the MGIB-SR has not kept pace with national military strategy and force deployment policies.

MGIB-SR began to erode as a benefit at parity just as the active forces began to be deployed more, and thousands of Guard and Reserve were recalled or mobilized to provide operational support. An attempt to rectify the growing gap between reserve and active duty benefit rates established a new educational program (REAP) for Reservists activated for more than 90 days for a contingency operation under Chapter 1607, Title 10 USC. Members if activated can elect to receive REAP (Chapter 1607), which pays a set percentage of the Active MGIB (Chapter 30), based on duration of service.

Service members usually have 14 years to use their MGIB-SR benefits from the time they become eligible, however eligibility ends when a Guard or Reserve members stops drilling. If a Guard member or Reservist stops drilling after being activated he or she may receive MGIB-SR (Chapter 1606) for a period equaling the length of deployment plus four months.

The incremental manner in which Chapters 30, 1606, and 1607 have evolved has led to inequities in educational benefits. Based on their service in the Global War on Terrorism both at home and abroad, today's military Reservists deserve enhancements to their eligibility under the MGIB for Selected Reserves.

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Those enhancements would include:

- All GI Bill funding and administration belongs under the jurisdiction of the Senate and House Committees on Veteran Affairs where veterans' education is the first priority.
- Expansion of MGIB-Active criteria to allow deployed Reservists to qualify for Chapter 30 by accumulating active duty service periods instead of viewing each period separately.
- Effective date of eligibility is when the service member elects to begin using their educational benefits and not upon entrance into the Selected Reserve.
- Include 4-year as well as 6-year reenlistment contracts to qualify for MGIB-SR.
- Allow use of the MGIB benefit to pay off student loans after completion of initial enlistment contract.

In addition I support the concept of a Total Force GI Bill as outlined below:

Replace Chapters 30, 1606 and 1607 and provide GI Bill reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve. Create three tiers;

FIRST TIER

This level would be similar to the current Montgomery GI Bill, Active Duty (MGIB-AD) 3-year rate -- would be provided to all who enlist for active duty. Service entrants would receive 36-months of benefits at the Active Duty Rate.

SECOND TIER

This level would be for all who enlist or re-enlist in the Selected Reserve (SelRes) this would entitle them to 36 months of benefits at a pro-rata amount of the active duty rate (Initial ratio in 1985 was 47%)

THIRD TIER

This level would be for members of the SelRes and Inactive Ready Reserve (IRR) who are activated for at least 90 days. They would receive one month of benefit for each month on activation in addition to the basic tier one or tier two benefit. Payment of up to a total of 48 months with no more than 36 months of any tier paid would match current VA policies for multiple entitlements. The maximum of benefit for a qualified SelRes member would be 36 months of tier three and 12 months of tier two.

An individual would have up to 10 years to use the active duty or activated-service benefit from their last date of active/activated duty or reserve service, whichever is later. A Selected Reservist could use remaining second tier MGIB benefits as long as he/she were satisfactorily participating in the SelRes, and for up to 10 years following separation from the reserves in the case of separation for disability or qualification for a reserve retirement at age 60. Members need the ability to reestablish prior benefits that were lost due to separation when the member returns to military service.

All provisions (e.g. additional contributions), and programs (e.g. accelerated payments, approved test fee reimbursement, etc.) eligible for payment under the current MGIB-AD program would be available under all three levels. Under this plan DOD would continue

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to be able to provide Recruitment and Retention incentives such as loan repayment, kickers for “college”, and enlistment bonuses.

RATIONALE: A major reason for this recommendation is equity for members of the Selected Reserve or Ready Reserve who are called to active duty service – equal programs and opportunities for equal service to country.

The proposal also provides an additional recruitment incentive to the Selected Reserve Forces since the new program would include a transition and readjustment provision for members who are activated for more than 90 days

Placing the Total Force GI Bill within Title 38 USC will greatly simplify the administration of the (GI Bill) educational assistance program for all members of the armed services, both Active Duty and Reserve Forces, as well as ensure that all future benefits are upgraded equitably.

The GI Bill has traditionally been viewed as a grateful Nation’s way of showing its appreciation for the sacrifices of service, separation, and combat. The new Total Force GI Bill reflects the new realities which have transformed this Nation’s security environment since 9/11/2001.

Another area of concern that I would like to bring to the attention of this committee is the delivery of services regarding timely payment of the educational benefits. Over the past decade the Veterans Administration moved toward a regional approach to serving those eligible for benefits and their service partners. In theory, it would seem this approach makes better use of limited resources but this system has not delivered as intended and those eligible individuals are suffering.

Generally an initial claim requires a minimum of 8 to 12 weeks to process. This creates challenges and financial hardships for these young men and women who are entitled to these programs. The Veterans Administration has looked toward technology to solve all issues and in reality their service plan should include additional staff with a greater emphasis on training.

I feel that an independent, comprehensive review of the claims processing system is necessary to identify problem areas. After problems are identified, the VA should provide the necessary resources and solutions to resolve the problem areas. If the regional approach does not address system accountability and reduce claims processing times, then the processing of claims should be decentralized.

Thank you for the opportunity to provide this distinguished Committee with this vital information regarding the recommended enhancements to Montgomery GI Bill and the educational claims processing by the VA.

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